

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 06563 211422Z

46

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-05 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 L-03 H-02 SS-15

NSC-05 TAR-01 PRS-01 PA-01 USIA-06 /089 W

----- 009095

R 211225Z JUL 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 9333

INFO ALL EC CAPITALS 937

LIMITED OFFICIAL USE EC BRUSSELS 6563

PASS AGRICULTURE

E.O. 11652: NA

TAGS: EAGR, EEC

SUBJECT: "INCORPORATION" PREMIUM, TWO-TIER INTERVENTION PRICES
FOR EC WHEAT

REF: EC BRUSSELS 6336

1. THE COMMISSION HAS APPARENTLY DECIDED NOT REPEAT NOT TO
PAY AN "INCORPORATION PREMIUM" FOR THE USE OF WHEAT IN ANIMAL
FEED MANUFACTURE AS OF AUGUST 1. THIS TURNABOUT IN COMMISSION
THINKING IS PRIMARILY THE RESULT OF THE HIKE IN WORLD
GRAIN PRICES AND CONTINUING UNCERTAINTY AS TO THE EXTENT OF USSR
GRAIN PURCHASES. OTHER FACTORS INFLUENCING THE COMMISSION WERE
(A) THE BELIEF THAT MUCH OF THE "NON-BREAD-MAKING WHEAT"
CAN BE EXPORTED TO DEVELOPING COUNTRIES FOR USE IN THE MANUFACTURE
OF VARIOUS BAKERY PRODUCTS OTHER THAN BREAD; (B) UNCERTAINTY
AS TO HOW MUCH THE EC WHEAT CROP WILL BE DOWN; AND (C) THE
INABILITY TO DISTINGUISH VISUALLY OR RAPIDLY BY TESTING NON-
BREAD FROM BREAD-MAING WHEATS.

2. LEONDURAND (DIRECTOR OF THE EC COMMISSION GRAINS DIVISION)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 06563 211422Z

SAID THAT REGULATIONS PROVIDING FOR AN "INCORPORATION" PREMIUM

AND FOR RESALE OF INTERVENTION WHEAT FOR FEED MANUFACTURE AT REDUCED PRICES WILL BE ISSUED EVEN THOUGH THE PREMIUM WILL NOT NOW BE PAID. THE AMOUNT OF THE PREMIUM WILL BE SET AT ZERO. THE MARKET SITUATION WILL BE REVIEWED IN SEPTEMBER OR OCTOBER TO SEE IF IT JUSTIFIES PAYING A PREMIUM. LEONDURAND SAID THE EC NOW HAS ABOUT 2.4 MILLION TONS OF WHEAT IN INTERVENTION A AND 1.3 MILLION TONS IN INTERVENTION B.

3. THE RESOLUTION SUBMITTED BY THE COMMISSION FOR COUNCIL APPROVAL OF MEASURE PROPOSED FOR 1976/77 WILL BE CONSIDERABLY SHORTENED FROM THAT REPORTED IN THE REFTTEL. IT WILL INCLUDE NO REFERENCE TO INCORPORATION PREMIUMS, RESALE FROM INTERVENTION STOCKS, OR EXPORT POLICY. IN ADDITION, IT WILL NOTE ONLY THAT THE PRICES ESTABLISHED FOR THE "NON-BREAD-MAKING" WHEAT FOR 1976/77 SHOULD BE THOSE APPLICABLE TO FEED GRAINS. THE PHRASE "AND NOT THAT FOR COMMON WHEAT OF BREAD-MAING QUALITY" WILL APPARENTLY BE DELETED FROM THE FIRST PARAGRAPH OF THE RESOLUTION, LEAVING OPEN THE QUESTION OF WHEATHER A SINGLE PRICE FOR WHEAT WILL BE RETAINED OR SEPARATE PRICES WILL BE ESTABLISHED FOR BREAD-MAKING" AND "NON-BREAD-MAKING" VARIETIES. THE UK REPORTEDLY FAVORS MAINTENANCE OF A SINGLE WHEAT PRICE AND HAS TAKEN THE POSITION THAT TOO MUCH EMPHASIS IS BEING PLACED ON THE "NON-BREAD-MAKING" WHEAT VARIEITES WHEREAS THE REAL SURPLUS DISPOSAL PROBELEM IS WITH THE "BREAD-MAKING"VARIEITES. AN ESTIMATED 40-45 PERCENT OF THE UK WHEAT CROP COMRES FROM THE NON- "BREAD-MAKING" VARIETIES.
GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, SALES, LESS DEVELOPED COUNTRIES, REGIONAL ORGANIZATIONS, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU06563
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750251-0426
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750734/aaaabeuj.tel
Line Count: 89
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 6336
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by ShawDG>; APPROVED <23 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: "INCORPORATION" PREMIUM, TWO-TIER INTERVENTION PRICES FOR EC WHEAT
TAGS: EAGR, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006